

Nursing facilities (NFs): method for establishing the total prospective rate.

(A) The method for establishing the total prospective rate for NFs is the combination of allowable per diems established for direct care, other protected care, indirect care and capital costs as set forth in rules 5101:3-3-44, 5101:3-3-49, 5101:3-3-50 and 5101:3-3-51 of the Administrative Code. The Ohio department of ~~human services~~ (ODHS) job and family services (ODJFS) shall not reduce the rates calculated pursuant to these rules on the basis that the facility charges a lower rate to any resident who is not eligible for medicaid.

(B) After ~~ODHS~~ODJFS receives the cost reports for a cost reporting period, ~~ODHS~~ODJFS shall perform a desk review of each cost report. Based on the desk review, ~~ODHS~~ODJFS shall make a preliminary determination whether the costs are allowable. No later than July first of each year, ~~ODHS~~ODJFS shall notify each NF if any of its costs are preliminarily determined not to be allowable and of its rate calculation and shall explain the reasons for the results. ~~ODHS~~ODJFS shall allow the NF to verify the calculation and, if necessary, submit additional information.

(C) ~~ODHS~~ODJFS shall calculate and establish new rates beginning July first of each fiscal year as set forth in rules 5101:3-3-44, 5101:3-3-49, 5101:3-3-50 and 5101:3-3-51 of the Administrative Code. Effective of the first day of each calendar quarter, the direct care per diem of the rate will be adjusted to reflect new assessment information submitted pursuant to rule 5101:3-3-40 of the Administrative Code.

TN # 03-017 APPROVAL DATE

SUPERSEDES

TN # 98-19 EFFECTIVE DATE 9/12/03

5101:3-3-43

2

Effective: 09/12/2003

R.C. 119.032 review dates: 06/25/2003 and 09/12/2008

CERTIFIED ELECTRONICALLY

Certification

09/02/2003

Date

Promulgated Under: 119.03
Statutory Authority: RC 5111.02
Rule Amplifies: RC 5111.01, 5111.02,
5111.23, 5111.24, 5111.25,
5111.26, 5111.27, 5111.28
Prior Effective Dates: 7/1/93 (Emer.), 9/30/93,
12/17/98

TN #08-017 APPROVAL DATE _____
SUPERSEDES
TN #98-19 EFFECTIVE DATE 9/12/03

Attachment 4.19D

Page 1 of 2

5101:3-3-49

Nursing facilities (NFS): method for establishing other protected costs component of the prospective rate.

- (A) The Ohio department of ~~human services (ODHS)~~ job and family services (ODJFS) shall pay each eligible NF a per diem for each resident for other protected costs. This component of the rate will be established prospectively each fiscal year for each facility. This per diem shall be calculated by taking the desk-reviewed, actual allowable other protected costs total except for the franchise permit fee (account number 6091) and dividing by the inpatient days. This information will come from the year ending cost report preceding the fiscal year in which the rate will be paid. This per diem will then be inflated by the estimated inflation rate as calculated under paragraph (B) of this rule and added to the per diem for the franchise permit fee as calculated under rule ~~5101:3-3-49.1~~ 5101:3-3-49.1 of the Administrative Code to determine the total other protected cost component of the prospective rate.
- (B) ~~ODHS~~ ODJFS shall estimate the rate of inflation for the eighteen-month period using the consumer price index for all urban consumers for nonprescription drugs and medical supplies, as published by the United States bureau of labor statistics. The estimated inflation rate is calculated by taking the index as of the thirty-first day of December in the fiscal year the rate will be paid, divided by the index as of the first day of July in the immediately preceding calendar year. If the estimated inflation rate for the eighteen-month period is different from the actual inflation rate for that period, the difference shall be added to or subtracted from the inflation rate estimated for the following fiscal year.

- (B) ~~ODHS~~ODJFS shall estimate the rate of inflation for the eighteen-month period using the consumer price index for all urban consumers for nonprescription drugs and medical supplies, as published by the United States bureau of labor statistics. The estimated inflation rate is calculated by taking the index as of the thirty-first day of December in the fiscal year the rate will be paid, divided by the index as of the first day of July in the immediately preceding calendar year. If the estimated inflation rate for the eighteen-month period is different from the actual inflation rate for that period, the difference shall be added to or subtracted from the inflation rate estimated for the following fiscal year.

5101:3-3-49

2

Effective: 09/12/2003

R.C. 119.032 review dates: 06/25/2003 and 09/12/2008

CERTIFIED ELECTRONICALLY

Certification

09/02/2003

Date

Promulgated Under: 119.03
Statutory Authority: RC 5111.02
Rule Amplifies: RC 5111.01, 5111.02,
5111.20, 5111.235
Prior Effective Dates: 7/11/93 (Emer.), 9/30/93,
12/17/98

TN #03-017 APPROVAL DATE _____
SUPERSEDES
TN #98-19 EFFECTIVE DATE 9/12/03

5101:3-3-50.1

2

Effective: 09/12/2003

R.C. 119.032 review dates: 06/25/2003 and 09/12/2008

CERTIFIED ELECTRONICALLY

Certification

09/02/2003

Date

Promulgated Under: 119.03

Statutory Authority: RC 5111.02

Rule Amplifies: RC 5111.01, 5111.02,
5111.24, 5111.26.1

Prior Effective Dates: 7/1/93 (Emer.), 9/30/93,
12/17/98

TN #03-017 APPROVAL DATE APR - 5 2003
SUPERSEDES
TN #98-19 EFFECTIVE DATE 9/12/03

5101:3-3-53

Nursing facilities (NFs): Rates for providers new to the medical assistance program and providers that change provider agreements.

(A) The Ohio department of job and family services (ODJFS) shall determine rates for a NF which is new to the medical assistance program (a NF with a first date of licensure and subsequent certification on or after January 1, 1993, including a NF that replaces one or more existing facilities, or a NF with a first date of licensure before that date that was initially certified for the medical assistance program on or after that date) in the following manner:

(1) For the fiscal year in which the NF begins participation in the medical assistance program, the initial rate shall be set as follows:

(a) The rate for direct care costs shall be determined as follows:

(i) Except as provided in paragraph (A)(1)(a)(iv) of this rule, the initial rate shall be the cost per case mix unit (CPCMU) which reflects the median medicaid day of the peer group, multiplied by the median annual average case-mix score of the peer group, eighteen-month inflation rate determined for the fiscal year under rule 5101:3-3-44 of the Administrative Code. Both the CPCMU which reflects the median medicaid day of the peer group and the median annual average case-mix score of the peer group are determined from the calendar year preceding the fiscal year in which the rate will be paid. ODJFS shall assign the NF to a peer group based upon the peer groups determined under rule 5101:3-3-44 of the Administrative Code.

(ii) After the NF submits quarterly assessment information for its first reporting quarter under rule 5101:3-3-40 of the Administrative Code, its rate for the following payment quarter shall be calculated using its actual case-mix score from the reporting quarter as determined under rule 5101:3-3-42 of the Administrative Code instead of the median case-mix score as prescribed by paragraph (A)(1)(a)(i) of this rule. If either of the facility's first two quarterly submissions do not contain assessment information that qualifies for use in calculating a case-mix score under rule 5101:3-3-42 of the Administrative Code, ODJFS shall continue to calculate the rate using the median annual case-mix score for the peer group and shall not assign a quarterly case-mix score as provided in that rule. If any subsequent submissions do not contain assessment information that qualifies for use in calculating a case-mix score as determined under rule 5101:3-3-42 of the administrative code,

5101:3-3-53

2

ODJFS may assign a case-mix score for the quarter that is five per cent less than the case-mix score that was used to calculate the NF's rate for the preceding calendar quarter and shall use the assigned score in place of the median case-mix score as prescribed by paragraph (A)(1)(a)(i) of this rule.

- (iii) After the NF submits its three-month cost report under rule 5101:3-3-20 of the Administrative Code, its rate shall be determined using the lesser of its actual CPCMU as determined under paragraph (A)(1)(a)(iii)(a) of this rule or the maximum CPCMU for the peer group from the calendar year preceding the fiscal year in which the rate will be paid. The NF's actual CPCMU shall be used only if the NF submits assessment information that qualified for use in calculating a case-mix score under rule 5101:3-3-42 of the Administrative Code. Otherwise ODJFS shall continue to use the median CPCMU for the facility as prescribed by paragraph (A)(1)(a)(i) of this rule.

(a) The NF's actual CPCMU is determined by dividing the NF's desk-reviewed, actual, allowable, per diem direct care costs determined from the three-month cost report by the NF's actual case-mix score(s) from the reporting quarter or quarters that ended during the cost report period.

(b) The inflation rate used to inflate the NF's actual CPCMU referenced in paragraph (A)(1)(a)(iii) of this rule shall be determined by using the midpoint of the cost report period to the midpoint of the fiscal year in which the rate will be paid to calculate a prorated portion of the eighteen-month inflation rate determined under rule 5101:3-3-44 of the Administrative Code for that fiscal year. The inflation rate used to inflate the median CPCMU or the maximum CPCMU referenced in paragraph (A)(1)(a)(iii) of this rule shall be the eighteen-month inflation rate determined for the fiscal year under rule 5101:3-3-44 of the Administrative Code.

- (iv) If the NF is a replacement facility and the facility or facilities that are being replaced are in operation immediately before the replacement NF opens, the direct care rate shall be the same as the direct care rate for the replaced facility or facilities, weighted by the number of beds from each replaced facility. If one or more of the replaced facilities is not in operation immediately before the replacement NF opens, its proportion of the direct care rate

TN #03-017 APPROVAL DATE 4/28 - 5 2001
SUPERSEDES
TN #02-013 EFFECTIVE DATE 9/12/03

5101:3-3-53

3

shall be determined under paragraph (A)(1)(a)(i) of this rule. When the provider files its quarterly assessment information or the three-month cost report required by rule 5101:3-3-20 of the Administrative Code, the direct care rate shall be calculated as provided in paragraphs (A)(1)(a)(ii) and (A)(1)(a)(iii) of this rule.

(b) The rate for other protected costs shall be determined as follows:

- (i) The initial rate shall be one hundred fifteen per cent of the median rate for all NFs as calculated at the beginning of the fiscal year in which the rate will be paid under rule 5101:3-3-49 of the Administrative Code. One hundred fifteen per cent of the median rate, which does not include the franchise permit fee, will be assigned facilities not assessed this fee in their initial rate year.
- (ii) After the NF files its three-month cost report under rule 5101:3-3-20 of the Administrative Code, its rate shall be its desk-reviewed, actual, allowable per diem other protected costs determined from the three-month cost report multiplied by an inflation rate. The inflation rate used to inflate the NF's desk-reviewed, actual, allowable per diem other protected costs determined from the three-month cost report shall be determined by using the midpoint of the cost report period to the midpoint of the fiscal year in which the rate will be paid to calculate a prorated portion of the eighteen-month inflation rate determined under rule 5101:3-3-49 of the Administrative Code for that fiscal year.

(c) The rate for indirect care costs shall be determined as follows:

- (i) The initial rate shall be the applicable maximum rate for the NF's peer group as calculated for the fiscal year in which the rate will be paid under rule 5101:3-3-50 of the Administrative Code. ODJFS shall assign the NF to a peer group based upon the peer groups determined under rule 5101:3-3-50 of the Administrative Code.
- (ii) After the NF files its three-month cost report under rule 5101:3-3-20 of the Administrative Code, the rate shall be the lesser of:
 - (a) The desk-reviewed, actual, allowable per diem indirect care costs from the three-month cost report multiplied by an inflation rate plus the fiscal year efficiency incentive for the NF's peer group determined under rule 5101:3-3-50 of the

TN #03-017 APPROVAL DATE _____

SUPERSEDES

TN #02-013 EFFECTIVE DATE 9/12/03

5101:3-3-53

4

Administrative Code. The inflation rate shall be determined by using the midpoint of the cost report period to the midpoint of the fiscal year in which the rate will be paid to calculate a prorated portion of the eighteen-month inflation rate determined under rule 5101:3-3-50 of the Administrative Code for that fiscal year; or

(b) The maximum rate for the NF's peer group determined under rule 5101:3-3-50 of the Administrative Code for the fiscal year in which the rate will be paid.

(d) The rate for capital costs shall be determined as follows:

(i) The initial rate shall be determined under paragraphs (A) and (B) of rule 5101:3-3-51 of the Administrative Code using the greater of an imputed occupancy rate of eighty per cent or the estimated inpatient days and the costs reported in a three-month projected cost report beginning the first day of medicaid participation, subject to the limitation under rule 5101:3-3-51 of the Administrative Code for the fiscal year in which the rate will be paid. The three-month projected cost report shall include schedules A, A-1, D, and D-1 of the JFS 02524 medicaid cost report for NFs and intermediate care facilities for the mentally retarded (ICFs-MR). ODJFS shall begin to pay the rate based on the three-month projected cost report one month after the first day of the month after the department receives the report. In the event the NF does not submit a three-month projected cost report, the NF shall be assigned the median capital rate of all NFs as calculated at the beginning of the fiscal year in which the rate will be paid under rule 5101:3-3-51 of the Administrative Code.

(ii) After the NF files its three-month cost report under rule 5101:3-3-20 of the Administrative Code, the rate shall be the lesser of the desk-reviewed, actual, allowable, per diem capital costs from the three-month cost report or the limitation determined under rule 5101:3-3-51 of the Administrative Code for the fiscal year in which the rate will be paid.

(e) Rates based upon data from the three-month cost report filed under rule 5101:3-3-20 of the Administrative Code, as calculated under paragraphs (A)(1)(a) to (A)(1)(d) of this rule shall be effective starting the first day of the calendar quarter that begins more than ninety days after ODJFS receives the cost report. If the three month cost report is filed after the ninety day due date and this report results in a lower rate, the rate shall

TN #03-017 APPROVAL DATE 03/12/03
SUPERSEDES
TN #02-013 EFFECTIVE DATE 9/12/03